

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 04190 291102Z

45

ACTION COME-00

INFO OCT-01 EUR-25 EA-11 ISO-00 EB-11 STR-08 TRSE-00 OMB-01

TAR-02 L-03 CIAE-00 INR-10 NSAE-00 RSC-01 XMB-07

FRB-02 SS-20 SPC-03 H-03 NSC-07 PA-04 PRS-01 USIA-15

DRC-01 /136 W

----- 008309

R 290912Z MAR 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 934

INFO USMISSION EC BRUSSELS

C O N F I D E N T I A L TOKYO 4190

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: EC ENLARGEMENT NEGOTIATIONS: DATA ON JAPANESE TRUCK
PRODUCTION AND TRADE

REF: STATE 55419

1. AS RESULT OF REPORTS THAT UAW SEEKING TO CURB AUTOMOBILE
IMPORTS INTO U.S., JAPANESE MANUFACTURERS NOW RELUCTANT TO DISCUSS
FUTURE INVESTMENT AND PRODUCTION PLANS AND ARE UNWILLING TO
PROVIDE TRUCK PRODUCTION AND EXPORT DATA. HOWEVER, IN RESPONSE
TO POINTS RAISED IN REFTEL, WE HAVE DERIVED FROM STATISTICS
COMPILED BY MITI AND JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION
(JAMA) WHAT WE BELIEVE TO BE REASONABLY ACCURATE ESTIMATES OF
JAPANESE PRODUCTION OF VERY LARGE TRUCKS DURING PAST FEW
YEARS. THESE ARE GIVEN BELOW. COLUMN (A) REFLECTS MITI STATISTICS
FOR PRODUCTION OF CHASSES FOR TRUCKS WITH LOADING CAPACITY OF
MORE THAN TEN TONS, WHICH ARE ROUGHLY EQUIVALENT TO PRODUCTION
OF TRUCKS WITH PISTON DISPLACEMENT OF 10,000 CC OR MORE,
ACCORDING TO MITI OFFICIAL. TOTAL TRUCK PRODUCTION IS GIVEN
IN COLUMN (B):

YEAR	(A)	(B)
------	-----	-----

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 04190 291102Z

UNITS	UNITS
-------	-------

1969	36,229	2,021,591
1970	42,627	2,063,883
1971	45,892	2,058,320
1972	44,552	2,238,340
1973	65,367	2,570,916

2. JAMA STATISTICS FOR LARGE TRUCKS ARE COMPILED ON BASIS OF LOADING CAPACITY. IN CATEGORY OF LARGEST TRUCKS -- WITH LOADING CAPACITY OF 11 TO 12 TONS -- JAMA REPORTS PRODUCTION OF 40,326 UNITS IN 1972 AND 61,939 UNITS IN 1973. THUS, BOTH MITI AND JAMA FIGURES ARE CONSISTENT WITH UK CONTENTION THAT JAPANESE OUTPUT OF LARGE TRUCKS ROSE SHARPLY IN 1973. ACCORDING TO JAMA OFFICIALS, HOWEVER, THIS INCREASE WAS DUE LARGELY TO INCREASED DEMAND FOR LARGER TRUCKS BY DOMESTIC USERS. FOR A VARIETY OF REASONS, INCLUDING HIGHER WAGES PAID TO DRIVERS, JAMA ASSERTS THAT NUMBER OF JAPANESE FIRMS, PARTICULARLY THOSE HANDLING LARGE FREIGHT VOLUME, ARE TURNING INCREASINGLY TO USE OF LARGE CAPACITY TRUCKS.

3. ON EXPORT SIDE, STATISTICS ARE NOT AVAILABLE ON SAME BASIS AS PRODUCTION, BUT JAMA OFFICIALS ESTIMATE THAT EXPORTS OF VERY LARGE TRUCKS PROBABLY ARE ABOUT 20 PERCENT OF PRODUCTION. ALSO ACCORDING TO JAMA, NEARLY ALL EXPORTS OF VERY LARGE TRUCKS ARE SHIPPED TO NEARBY COUNTRIES SUCH AS PEOPLES REPUBLIC OF CHINA, THAILAND, PHILIPPINES, AND AUSTRALIA. THEY ALSO MENTIONED THAT THEY DID NOT BELIEVE THAT EUROPE OFFERS AN ATTRACTIVE MARKET FOR VERY LARGE TRUCKS, PARTLY BECAUSE OF HIGH SHIPPING COSTS.

4. EMBASSY COMMENT. A SUBSTANTIAL IMPORT TARIFF REDUCTION FOR LARGE TRUCKS BY EC MIGHT ALTER THE JAPANESE VIEW OF ATTRACTIVENESS OF EUROPEAN MARKET. NEVERTHELESS, WE BELIEVE UK'S FEAR OF INCREASED COMPETITION FROM JAPANESE-MADE LARGE TRUCKS IN EVENT OF TARIFF REDUCTION IS EXAGGERATED. IN ACTUAL NUMBERS, JAPANESE PRODUCTION OF LARGE TRUCKS IS VERY SMALL AND, OF COURSE, REPRESENTS ONLY A FRACTION OF TOTAL TRUCK OUTPUT (2.5 PERCENT IN 1973). GIVEN THE TREND TOWARDS GREATER USE OF LARGER TRUCKS IN JAPAN (AN ASSESSMENT, INCIDENTALLY, WHICH MINISTRY OF TRANSPORT SHARES WITH JAMA), OUTLOOK IS FOR CONTINUING INCREASES IN JAPANESE PRODUCTION OF SUCH TRUCKS, MOSTLY FOR SALE IN DOMESTIC MARKET. TO THE EXTENT THAT JAPANESE MANUFACTURERS LOOK TO EXPORT MARKETS FOR VERY LARGE TRUCKS, IT SEEMS MORE LIKELY THAT THEY WOULD CONTINUE TO CON-

CONFIDENTIAL

PAGE 03 TOKYO 04190 291102Z

CENTRATE ON SALES TO NEARBY COUNTRIES RATHER THAN SEEK, AT LEAST TO ANY APPRECIABLE EXTENT, TO ESTABLISH NEW OUTLETS IN EUROPE. IN ANY CASE, FOR FORESEEABLE FUTURE WE BELIEVE JAPAN WILL CONTINUE TO CONCENTRATE ON CATEGORY OF SMALL TRUCKS. JAPANESE EXPORTS OF TRUCKS WITH PISTON DISPLACEMENT OF 360 CC TO 2,000 CC AMOUNTED TO 457,571 UNITS IN 1972 AND 506,442 UNITS IN 1973. TOTAL TRUCK EXPORTS IN THESE TWO YEARS REACHED 547,262 UNITS AND 606,013 UNITS, RESPECTIVELY. THUS,

SMALL TRUCK EXPORTS ACCOUNTED FOR ABOUT 83 PERCENT OF THE TOTAL
IN BOTH YEARS. SHOESMITH

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRUCKS, NEGOTIATIONS, PRODUCTION DATA, TRADE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO04190
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740069-0296
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974032/aaaaabvd.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 55419
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by collinp0>; APPROVED <05 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC ENLARGEMENT NEGOTIATIONS: DATA ON JAPANESE TRUCK PRODUCTION AND TRADE
TAGS: ETRD, JA, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005